

Republic Bank Financial Holdings (RFHL) as a founding signatory member of the Net Zero Banking Alliance (NZBA) and the UN Principles for Responsible Banking (PRB), has committed to aligning investment and lending portfolios with net zero carbon emissions by the year 2050. Member banks are obliged to set intermediate targets in critical sectors for the year 2030 in part fulfilment of the 2050 goal. In compliance with this obligation, our Bank has conducted and assessed its carbon emissions internally and for our clients.

The Real Estate sector was identified as the most homogeneous sector, as it includes only commercial real estate and therefore selected for the target setting exercise.

The commercial real estate sector has been selected for the intermediate target due to the significant relevance of the sector to the Bank. In Trinidad and Tobago for example, the RFHL has more than 50% of the market share in commercial real estate. Additionally, in accordance with the [PCAF methodology](#), commercial real estate represents 29.4% of RFHL's business loan portfolio. Finally, the commercial real estate portfolio was the sector with the best data quality, enabling target setting.

The target has been set taking into consideration the average energy intensity of commercial buildings in Trinidad and Tobago as a baseline and the average energy emission factor for the Caribbean region.¹ A linear approach to the reduction of emission intensity, taking into consideration the IEA Net Zero assumption that more than 85% of buildings are zero-carbon ready by 2050, therefore reducing emissions intensity by 85% in the same timeframe². Separately, the EDGE Green Building certification requires a minimum 20% reduction in energy use benchmarked against standard local buildings.

As such, RFHL has taken the immediate decision to establish an intermediary emissions intensity target for our commercial real estate sector. We are committed to:

A reduction of 26.4% of the current estimated emission intensity from the real estate sector from 0.13139tonCO₂e/m² per year to 0.096 tonCO₂e/m² per year by 2030.

Through this commitment, we will work with our clients to reduce their emissions to meet the 26.4% emissions intensity reduction target in our commercial real estate portfolio.

¹ As more granular data becomes available, the emissions intensity data may be refined.

² https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf